

October 11, 2000

Secretary Donna E. Shalala The Secretary of Health and Human Services 200 Independence Avenue S.W. Room 615-F Washington, D. C. 20201

Dear Secretary Shalala:

I am writing to urge you to give serious consideration to amending the HCFA rules on the Institute of Mental Diseases (IMD): this classification applies to state hospitals and free standing psychiatric or substance abuse hospitals with 16 or more beds and excludes Medicaid payment for services in such hospitals to persons aged 21 to 64.

The amendment of this rule is paramount to the delivery of substance abuse services by Wake County Human Services. We operate a public free standing 34-bed hospital, which treats nearly 900 substance abusers annually, including many pregnant women. Proud as we are of our efforts and successes, the tremendous growth of our county and a shrinking of available resources makes it paramount that we draw down all possible reimbursements in caring for the substance abuse population. Frankly, we need these Medicaid resources to continue operations. Your favorable ruling will also have a great impact as we are implementing the Olmstead Ruling to avoid inappropriate admissions of substance abusers to state psychiatric facilities.

This arbitrary ruling to exclude freestanding hospitals from Medicaid reimbursement should be reversed. Thank you for your thoughtful consideration.

Sincerely,

Chair, Wake County Board of Commissioners

Tou Ward

Immediate Past President, NaCO

Maria F. Spaulding,

Director,

Wake County Human Services

Cc:

David Cooke, County Manager

93N 0 @ Peg Patterson, Chair, Wake County Human Services Board

(919) 212-7000

220 Swinburne Street P.O. Box 46833 Raleigh, NC 27620

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WAKE COUNTY HUMAN SERVICES 220 Swinburne Street P.O. Box 46833 Raleigh, NC 27620-6833

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